

MINUTES OF THE ZEC MEETING HELD ON FRIDAY 11 October 2019 IN THE BOARD ROOM AT THE GEOLOGICAL SURVEY DEPARTMENT AT 10:00 HOURS

PRESENT

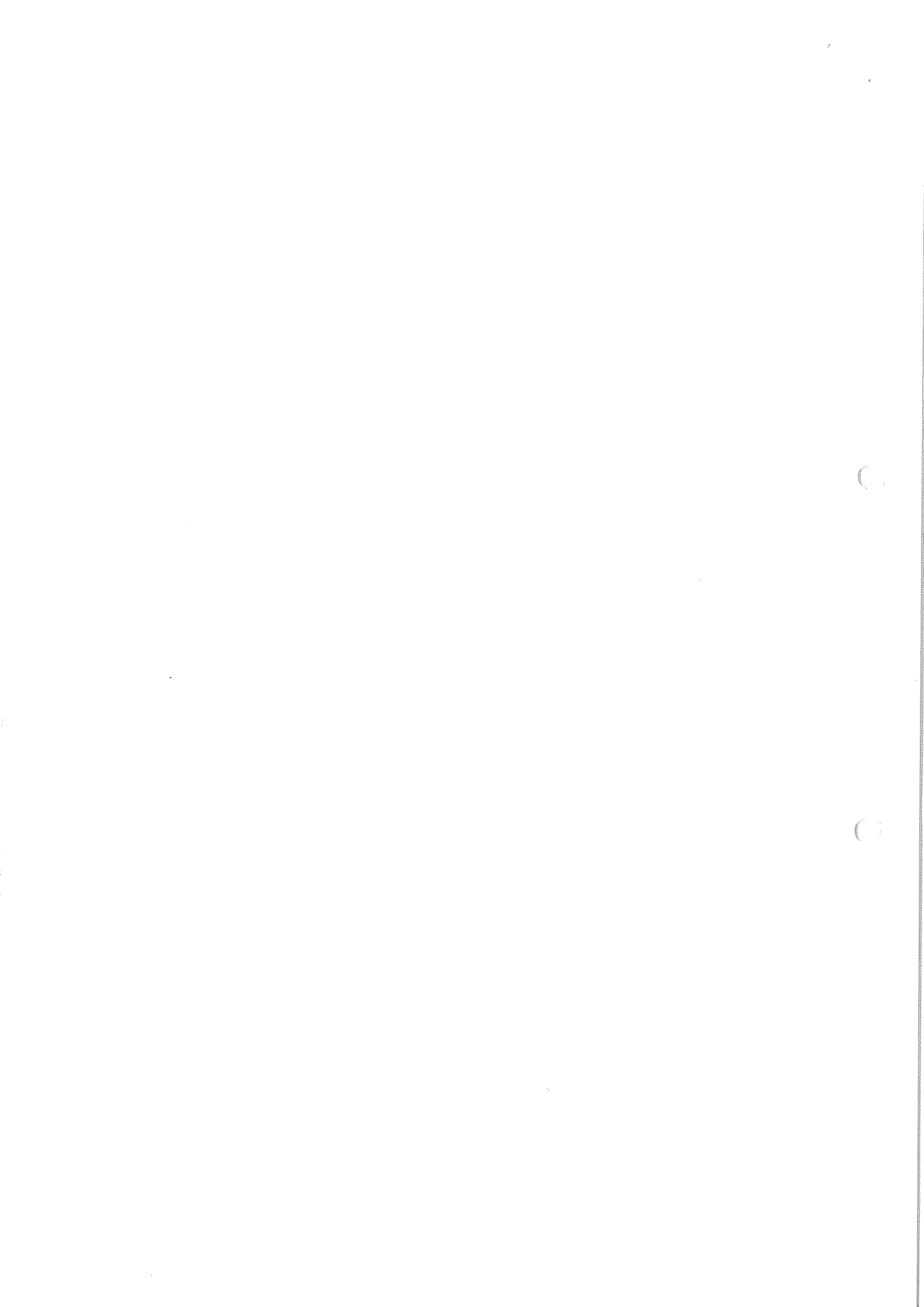
1. Mr. Edward Lange - Civil Society(SARW),Member/Vice- Chairperson
2. Mr. Mwiya Mwandawande - Civil Society (EITA) Member
3. Mr. Mitwalo Msoni - Civil Society (PWYPZ) Member
4. Mr. Edgar Siakacoma - Civil Society (NEF) Member
5. Mr. Andisen Zulu - Civil Society (CCZ) Member
6. Mr. Martford Mumba - Mining Industry (FSSMAZ) Proxy
7. Mr. Talent Ng'andwe - Mining Industry (CMZ) Proxy
8. Mr. Mubiana Akakandelwe - Mining Industry (KCM/CMZ) Member
9. Mr. Hugh Carruthers - Mining Industry (FQM) Member
10. Mr. Wilmont Sinyangwe - Government (MMMD) Proxy
11. Mr. Webster Mulenga - Government (ZRA) Proxy
12. Mr. Francis Chilunga - Government(MOJ) Member
13. Mr. Mwaanga Shilambwe - Government (MOF) Member

IN ATTENDANCE

1. Mr. Ian Mwiinga - Secretariat (ZEITI Acting Head)
2. Mr. Lupinda Chimwasu - Secretariat (ZEITI Economist)
3. Mr. Emmanuel Sibongo - Secretariat (ZEITI Accountant)
4. Ms. Ines Marques - EITI International Secretariat
5. Mr. Andrew Irvine - EITI International Secretariat

ABSENT WITH APOLOGY

1. Mr. Fredson Yamba - Government (MOF) ZEC Chairperson
2. Mr. Barnaby Mulenga - Government (MMMD) Member
3. Mr. Kamwi Mulele - Bank of Zambia (BOZ) Proxy
4. Mr. Kayula Chimfwembe - Government (MOF) Member



1.0 OPENING REMARKS

In the absence of the Chairperson, the ZEC Vice Chairperson presided over the proceedings of the meeting. The meeting was called to order at 10.20hrs.

In his opening remarks, the Chairperson welcomed the members, including the team from the EITI international secretariat. The Chairperson also welcomed and congratulated Mr. Hugh Carruthers from First quantum Minerals Limited (FQML) on his re-appointment as a member of the ZEC representing the constituency of mining industry.

The Chairperson further encouraged the members to be reading and providing feedback to the documents circulated by the ZEITI secretariat before the ZEC meeting as this will increase efficiency and effectiveness in running the meetings.

2.0 ADOPTION OF THE AGENDA

The agenda was adopted with an addition of one item i.e. 'apologies'. The adoption of the agenda was proposed by Mr. Mtwalo Msoni and seconded by Mr. Edgar Siakacoma.

3.0 APOLOGIES

The list of apologies is given on page 1.

4.0 CORRECTION, CONSIDERATION AND ADOPTION OF THE PREVIOUS MINUTES

The minutes of the ZEC meeting that was held on 11th July, 2019 were adopted as a true record of the proceedings after one correction was made:

- i. Page 2 under item 5.2, the word communication should be replaced with Communications.

The adoption of the minutes was proposed by Mr. Mubiana Akakandelwa and seconded by Mr. Talent Ng'andwe.

5.0 MATTERS ARISING FROM PREVIOUS MINUTES

There were no matters arising from the previous minutes.



6.0 Third Quarter ZEITI Progress Report

The Chairperson requested the Acting ZEITI Head, Mr. Ian Mwiinga to present the main highlights of third quarter ZEITI Progress Report and key issues included:

6.1. Recruitment of the consultant to produce the 2017/18 ZEITI report.

The meeting was informed that the request for the Expression of Interest (EOI) to support the production of 2017/18 ZEITI report was issued to five (5) firms. These firms are BDO Tunisia/BDO Zambia, KPMG Zambia, Grant Thornton Zambia, Hurt Group United Kingdom, and Boas and Associates of Ghana. However, only one firm (BDO Tunisia / BDO Zambia) responded to the EOI.

Further, the World Bank and Zambia Public Procurement Authority (ZPPA) provided 'No Objection' to proceeding with requesting BDO to submit the Technical and Financial proposals.

The ZEC nominated the following names to sit on the Evaluation committee to evaluate the Technical and Financial proposals from BDO Tunisia / BDO Zambia:

- Mr Andisen Zulu (Council of Churches in Zambia);
- Mr Talent Ng'andwe (Chamber of Mines); and,
- Mr Kamwi Mulele (Bank of Zambia).

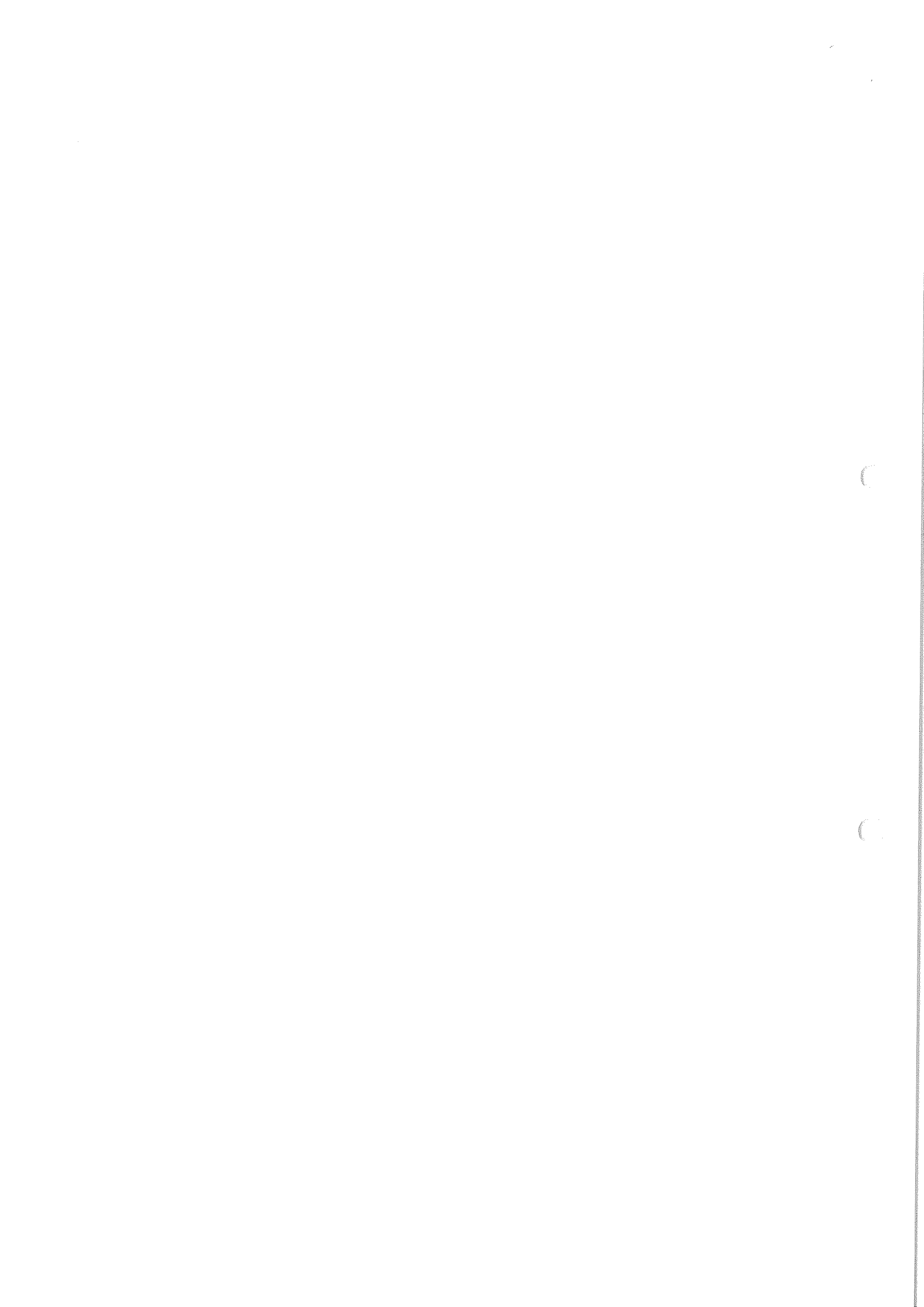
The meeting was further informed that the ZEITI Secretariat has collected about 80 percent of the data for the production of the 2017 and 2018 ZEITI reports.

6.2 Recruitment of consultants to undertake the Mainstreaming feasibility study

In his presentation, Mr Mwiinga informed the meeting that the World Bank has provided funding for the hiring of two (2) Consultants to undertake a feasibility study on the Mainstreaming of EITI implementation in Zambia. The two consultants will consist of a Lead Consultant and an IT Consultant.

6.3 Capacity building for ZEC and the Office of the Auditor General on Mainstreaming

The ZEC was informed that the World Bank has provided funding for the training of the MSG and the Office of the Auditor General (OAG) on Mainstreaming EITI implementation in Zambia. The orientation will cover among other issues the role of the MSG and the ZEITI in a mainstreamed EITI implementation. Further, the orientation will also highlight key role that the OAG will play in assuring the quality of EITI reported data including the actual



preparation of the EITI report. The training will take place at the end of the Mainstreaming feasibility study and it will be conducted by the Consultants with support from the ZEITI Secretariat.

6.4 Recruitment of consultant to draft the Transparency legislation

The World Bank has also funded the recruitment of consultant to draft the Transparency legislation. The TORs will be finalised once preliminary findings from the mainstreaming feasibility study are established.

6.5 Capacity building training for Civil Society Organisations (CSOs)

The Natural Resource Governance Institute (NRGI) will support Capacity building training for CSOs in analysing information on contracts and licences under the auspices of the Contract Transparency requirement in the EITI Standard. However, this support is aligned to the work currently underway at the Cadastre of uploading documents associated with the Mining Licences.

The ZEC approved the ZEITI third quarter progress report and the decision to approve the report was proposed by Mr. Andisen Zulu and seconded by Mr. Mwaanga Shilambwe.

7.0 APPROVAL OF MAINSTREAMING FEASIBILITY STUDY TERMS OF REFERENCE

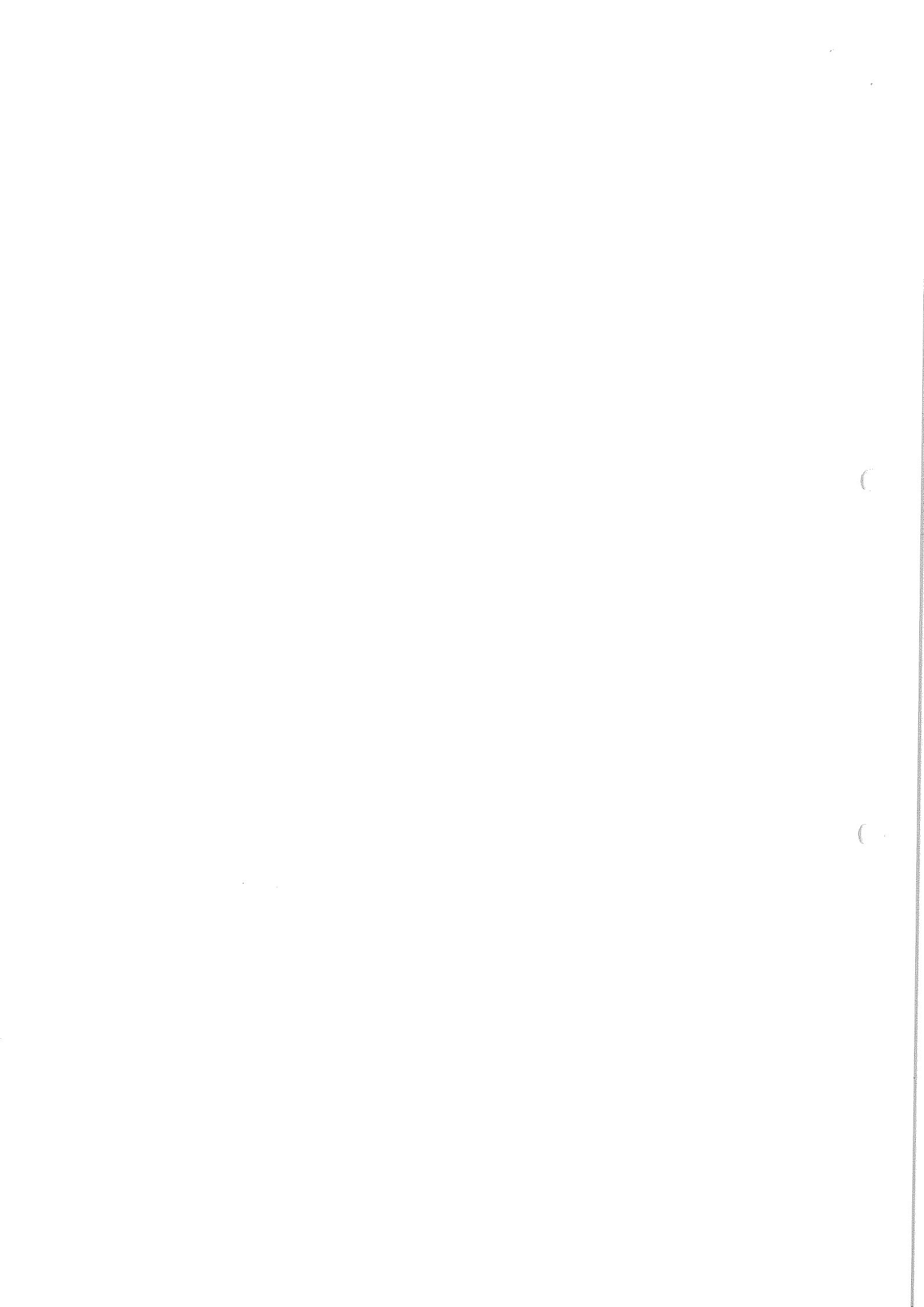
7.1 Terms of Reference for the Lead International Consultant

The meeting considered and approved the ToRs for the lead international consultant to undertake the mainstreaming feasibility study. The proposal to approve the ToRs was made by Mr. Martford Mumba and seconded by Andisen Zulu.

7.2 Term of Reference for the IT consultant

ZEC also approved the ToRs for the IT consultant to undertake the mainstreaming feasibility study. The proposal to approve the ToRs was made by Mr. Edgar Siakacoma and seconded by Mr. Webster Mulenga.

The ZEITI secretariat also informed the meeting that the two ToRs were also reviewed by the World Bank Task Team Leader, Mr Javier Aguilar and the EITI International Secretariat Country Manager for Zambia.



8.0 Brief on the outcome of the second validation

The Policy Director at the International EITI Secretariat, Ms Ines Marques briefed the meeting on the outcome of the second validation that commenced on 25 April 2019. She informed the ZEC that Zambia had fully addressed two of the four corrective actions, having made “satisfactory progress” on Production data (3.2) and Follow up on recommendations (7.3). She further mentioned that Zambia made “meaningful progress” with considerable improvements in addressing the corrective actions on License allocation (requirement 2.2) and Contract disclosure (requirement 2.4). In addition, the Validation report shows that Zambia has regressed on data reliability (Requirement 4.9).

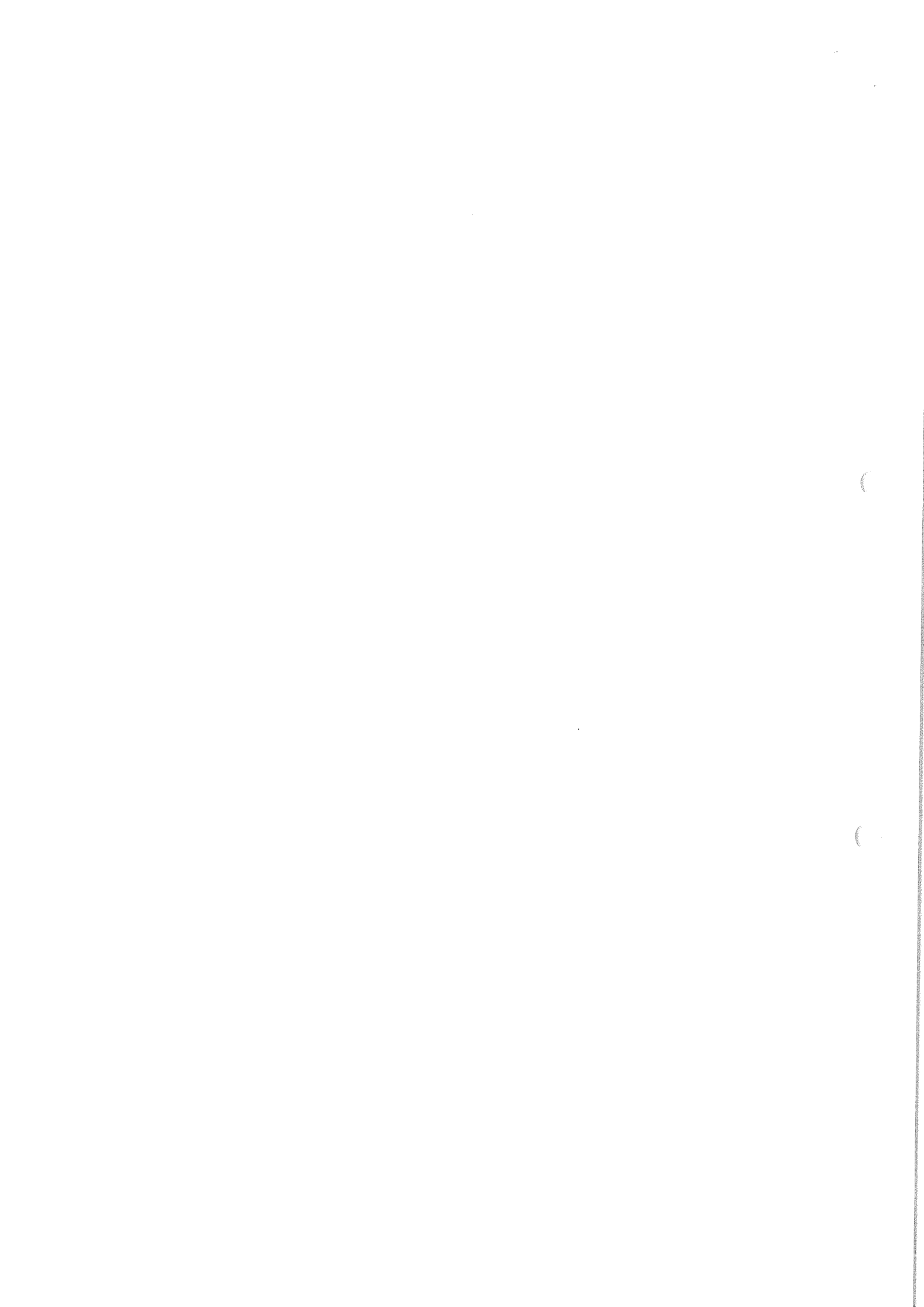
Finally, Ms Marques informed the ZEC that the draft Validation report for Zambia will be deliberated on by the Validation Committee during the 45th EITI International Board meeting (16-17 October) in Addis Ababa, Ethiopia.

The ZEC requested the Acting Director for Human Resources at the Ministry of Mines and Minerals Development to address all the outstanding Validation issues, including Contract transparency, together with the Cadastre department.

9.0 A brief on the next steps regarding Beneficial Ownership (BO) workshops

The Legal & Corporate Engagement Manager at the International EITI Secretariat, Mr. Andrew Irvine, informed the meeting that a series of workshops on Beneficial Ownership transparency were held from 7 to 10 October 2019 at Sarova Hotel, in Lusaka.

The workshops focused on building the capacity of government agencies’ to collect and disseminate Beneficial Ownership information and raise awareness about its disclosure requirements both within government and the mining industry. The participants at these series of workshops were drawn from the Patents and Company Registration Agency (PACRA) and the Mining Cadastre Department.

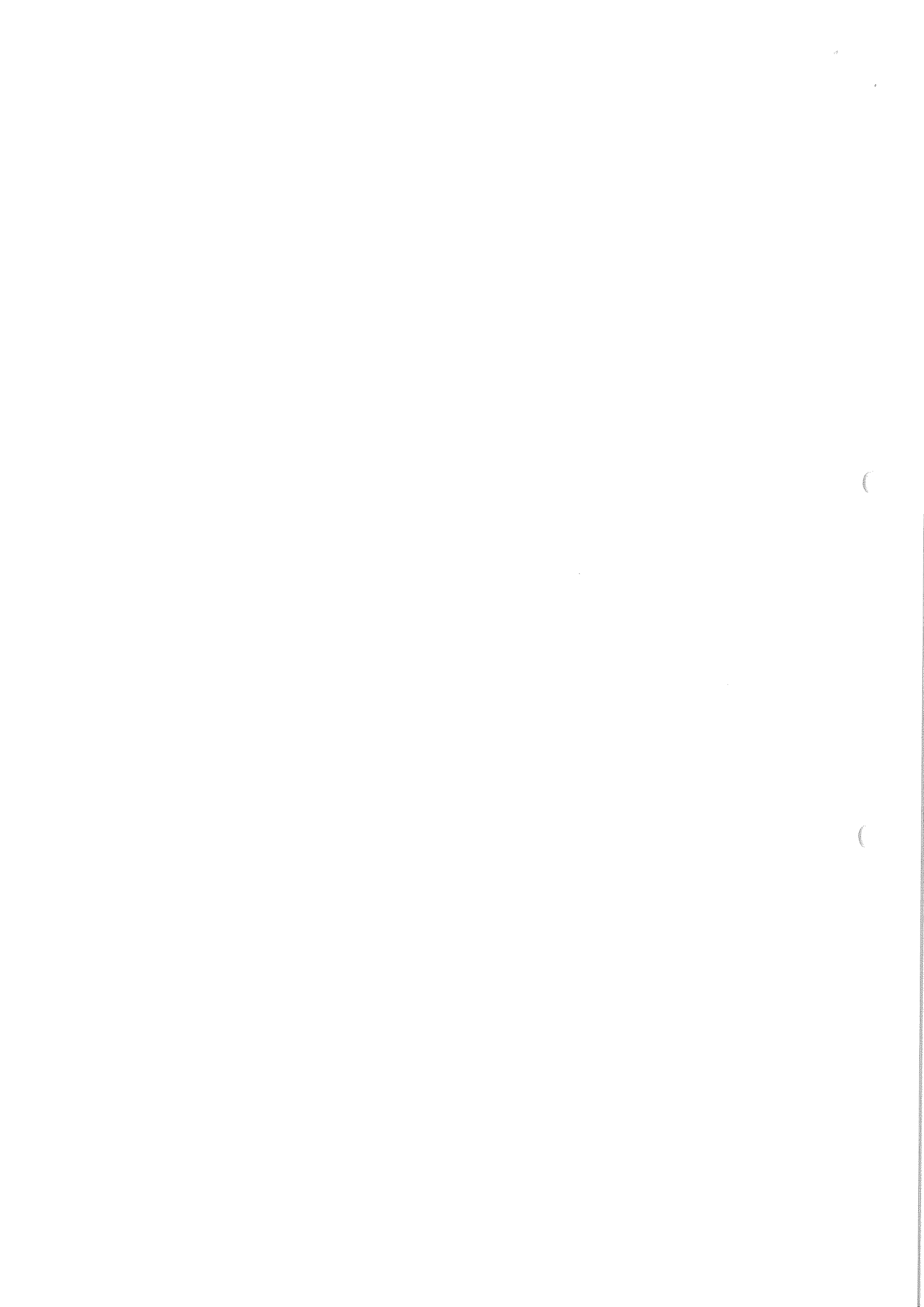


Further, Mr Irvin shared the following below as next steps on Beneficial Ownership disclosure from each of the agencies that participated at the workshop:

1. **PACRA: Needs to conclude the development of** additional guidelines on BO disclosure and fine-tune their electronic register. The PACRA also plans to engage other agencies such as Cadastre and the Zambia Revenue Authority (ZRA) to help in the verification of BO data. Additionally, PACRA pledged its commitment to facilitate staff capacity building and learn from other jurisdictions implementing BO such as Britain. Furthermore, raise awareness on BO disclosure among companies, including mining companies;
2. **Cadastre: The Cadastre pledged** to speed up the integration of cadastre system with the PACRA system to enable access to BO information. The Cadastre plans to use the BO information in licensing decisions and also build capacity for staff to enhance the effective implementation of BO information on the online portal;
The Cadastre also recommended that the Cadastre online portal should be linked to the PACRA online system directly;
3. **ZEC: The ZEC** committed to continue working in collaboration with PACRA and the Cadastre to implement the BO disclosure requirement as provided for under the EITI Standard. The ZEC also intends to revise the BO roadmap; and,
4. **EITI International: The EITI International Secretariat** committed **itself to** continue supporting peer learning initiatives within the region. The Secretariat also pledged to continue providing technical guidance on the BO implementation.

10.0 Dissemination of the 2016 ZEITI Report

The ZEC was informed that the 2016 EITI report was successfully launched in Solwezi District and disseminated in all 10 provincial towns. However, some



challenges were noted including inadequate representation of Civil Society Organisations (CSOs) in Solwezi and Kasempa District. The ZEITI Secretariat pledged to share an e-version of the report via email before the next ZEC meeting.

11.0 Brief on the upcoming regional SAI workshop in Addis Ababa

The ZEC was briefed that there will be a regional Supreme Audit Institutions (SAI) workshop from 14th to 15th October 2019 in Addis Ababa. The objective of the workshop is to strengthen EITI collaboration with SAIs. The workshop will bring together EITI and SAI representatives from Ethiopia, Ghana, Malawi, Mozambique South Africa, Sierra Leone, Tanzania, Uganda, Zambia and Zimbabwe. Zambia was represented at the workshop by Mr Edward Lange (ZEC Vice Chairperson); Mr Emmanuel Sibongo (ZEITI Accountant) and a representative from Office of Auditor General.

The workshop was organised by EITI International and Office of Auditor General of Norway.

12.0 CLOSING REMARKS

The Chairperson thanked all the members for their active participation during the meeting. In his closing remarks he also cautioned member organizations to follow laid down procedure when changing/replacing a ZEC member. The meeting was closed at 13: 00 hrs.

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CHAIRPERSON Mr Edward Lange

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SECRETARY ZEITI Secretariat

DATE.....

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ACTION-TAKEN REPORT

	ISSUE	ACTIONS NEEDED	STATUS	WHO
1	Dissemination report	ZEITI to share the detailed dissemination report before the next ZEC meeting	Done	ZEITI
2	Evaluation Committee meeting	ZEC to participate during evaluation of the RFP for the recruitment of consultant to support the production 2017/18 EITI report.	Done	ZEC
3	Corrective actions on License allocation (requirement 2.2) and disclosure (requirement 2.4).	MMMD through Cadastre department to address the two corrective action	WIP	MMMD
4	Capacity building needed for CSO	Natural Resource Governance Institute (NRGI) will support Capacity building training for CSOs in analysing information on contracts and licencing	WIP	NRGI
5	Regional SAI workshop	Attend regional SAI meeting in Addis Ababa	Done	ZEC/ ZEITI/OAG

